

## SENATE BILL NO. 61

INTRODUCED BY B. HAWKS

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING LOCAL GOVERNMENTS TO IMPOSE IMPACT FEES FOR CONSTRUCTING AND EXTENDING CAPITAL FACILITIES RELATED TO K-12 PUBLIC EDUCATION; REPEALING PROVISIONS FOR VOLUNTARY IMPACT PAYMENTS TO RURAL SCHOOL DISTRICTS; AMENDING SECTIONS 7-6-1601, 20-9-508, 76-3-510, AND 76-3-601, MCA; AND REPEALING SECTION 20-9-615, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 7-6-1601, MCA, is amended to read:

**"7-6-1601. Definitions.** As used in this part, the following definitions apply:

(1) (a) "Capital improvements" means improvements, land, and equipment with a useful life of 10 years or more that increase or improve the service capacity of a public facility.

(b) The term does not include consumable supplies.

(2) "Connection charge" means the actual cost of connecting a property to a public utility system and is limited to the labor, materials, and overhead involved in making connections and installing meters.

(3) "Development" means construction, renovation, or installation of a building or structure, a change in use of a building or structure, or a change in the use of land when the construction, installation, or other action creates additional demand for public facilities.

(4) "Governmental entity" means a county, city, town, or consolidated government.

(5) (a) "Impact fee" means any charge imposed upon development by a governmental entity as part of the development approval process to fund the additional service capacity required by the development from which it is collected. An impact fee may include a fee for the administration of the impact fee not to exceed 5% of the total impact fee collected.

(b) The term does not include:

(i) a charge or fee to pay for administration, plan review, or inspection costs associated with a permit required for development;

(ii) a connection charge;

(iii) any other fee authorized by law, including but not limited to user fees, special improvement district assessments, fees authorized under Title 7 for county, municipal, and consolidated government sewer and water districts and systems, and costs of ongoing maintenance; or

(iv) onsite or offsite improvements necessary for new development to meet the safety, level of service, and other minimum development standards that have been adopted by the governmental entity.

(6) "Proportionate share" means that portion of the cost of capital system improvements that reasonably relates to the service demands and needs of the project. A proportionate share must take into account the limitations provided in 7-6-1602.

(7) "Public facilities" means:

(a) a water supply production, treatment, storage, or distribution facility;

(b) a wastewater collection, treatment, or disposal facility;

(c) a transportation facility, including roads, streets, bridges, rights-of-way, traffic signals, and landscaping;

(d) a storm water collection, retention, detention, treatment, or disposal facility or a flood control facility;

(e) a police, emergency medical rescue, or fire protection facility; ~~and~~

(f) capital facilities related to K-12 public education; and

~~(f)(g)~~ other facilities for which documentation is prepared as provided in 7-6-1602 that have been approved as part of an impact fee ordinance or resolution by:

(i) a two-thirds majority of the governing body of an incorporated city, town, or consolidated local government; or

(ii) a unanimous vote of the board of county commissioners of a county government."

**Section 2.** Section 20-9-508, MCA, is amended to read:

**"20-9-508. Building fund.** (1) The trustees of a district shall establish or credit the building fund whenever the district:

(a) issues and sells bonds under the school district bonding provisions of this title for purposes other than refunding bonds of the district;

(b) receives federal money for the express purpose of building, enlarging, or remodeling a school building or other building of the district;

(c) sells property of the district in accordance with the law authorizing the sale;

(d) earns interest from the investment of building fund money under the provisions of 20-9-213(4), except that interest earned from the investment of bond money under the provisions of 20-9-435 must be credited to a fund in accordance with that section; or

(e) receives any other money, ~~including payments made by a developer under the provisions of 20-9-615~~, for the express purpose of building, enlarging, or remodeling a school building or other building of the district.

(2) The financial administration of the building fund must be in accordance with the financial administration provisions of this title for a nonbudgeted fund and must provide for a separate accounting of the money realized by each bond issue or by each construction project financed by a federal grant of money. Any other money deposited to the credit of this fund must be expended for building, enlargement, remodeling, or repairing of buildings of the district at the discretion of the trustees.

(3) Money credited to the building fund under the provisions of subsection (1)(a) must be expended for the express purpose or purposes authorized by the bond proposition approved at the election authorizing the issuance of the bonds. Any money realized by the sale of bonds and remaining to the credit of the building fund after the full accomplishment of the purpose for which the bonds were sold must be transferred to the debt service fund to be used for the redemption of the bonds.

(4) Money credited to the building fund under the provisions of subsection (1)(b) must be expended for the express purpose or purposes authorized by the federal government in granting the money."

**Section 3.** Section 76-3-510, MCA, is amended to read:

**"76-3-510. Payment for extension of capital facilities.** A local government may require a subdivider to pay or guarantee payment for part or all of the costs of extending capital facilities related to public health and safety, including but not limited to public roads, sewer lines, water supply lines, and storm drains to a subdivision. The costs must reasonably reflect the expected impacts directly attributable to the subdivision. A local government may ~~not~~ require a subdivider to pay or guarantee payment for part or all of the costs of constructing or extending capital facilities related to education."

**Section 4.** Section 76-3-601, MCA, is amended to read:

**"76-3-601. Submission of application and preliminary plat for review -- water and sanitation information required.** (1) Subject to the submittal deadlines established as provided in 76-3-504(3), the

1 subdivider shall present to the governing body or to the agent or agency designated by the governing body the  
2 subdivision application, including the preliminary plat of the proposed subdivision, for local review. The preliminary  
3 plat must show all pertinent features of the proposed subdivision and all proposed improvements and must be  
4 accompanied by the preliminary water and sanitation information required under 76-3-622.

5 (2) (a) When the proposed subdivision lies within the boundaries of an incorporated city or town, the  
6 application and preliminary plat must be submitted to and approved by the city or town governing body.

7 (b) When the proposed subdivision is situated entirely in an unincorporated area, the application and  
8 preliminary plat must be submitted to and approved by the governing body of the county. However, if the  
9 proposed subdivision lies within 1 mile of a third-class city or town, within 2 miles of a second-class city, or within  
10 3 miles of a first-class city, the county governing body shall submit the application and preliminary plat to the city  
11 or town governing body or its designated agent for review and comment. If the proposed subdivision is situated  
12 within a rural school district, ~~as described in 20-9-615 in which a majority of the pupils reside outside the limits~~  
13 of an incorporated city or town, the county governing body shall provide a summary of the information contained  
14 in the application and preliminary plat to school district trustees.

15 (c) If the proposed subdivision lies partly within an incorporated city or town, the application and  
16 preliminary plat must be submitted to and approved by both the city or town and the county governing bodies.

17 (d) When a proposed subdivision is also proposed to be annexed to a municipality, the governing body  
18 of the municipality shall coordinate the subdivision review and annexation procedures to minimize duplication of  
19 hearings, reports, and other requirements whenever possible.

20 (3) The provisions of 76-3-604, 76-3-605, 76-3-608 through 76-3-610, and this section do not limit the  
21 authority of certain municipalities to regulate subdivisions beyond their corporate limits pursuant to 7-3-4444."

22  
23 NEW SECTION. **Section 5. Repealer.** Section 20-9-615, MCA, is repealed.

24 - END -